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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

DA 96-356

In the Matter of)
) CC Docket No. 94-97
Ameritech Operating Companies)
Tariff F.C.C. No. 2) Transmittal No. 938, 948

ORDER

Adopted: March 13, 1996; Released: March 13, 1996

By the Chief, Tariff Division, Common Carrier Bureau:

1. On January 11, 1996, Ameritech Operating Companies (Ameritech) filed Transmittal No. 938 to revise its Tariff F.C.C. No. 2. Transmittal No. 938, which is scheduled to become effective on March 15, 1996, proposes to modify the existing project management rate level and structure of Ameritech's virtual optical interconnection service. Subsequent to this filing, Ameritech filed Transmittal No. 948, which includes a number of revisions to the provisions filed under Transmittal No. 938.¹

2. On January 26, 1996, MFS Communications Company, Inc. (MFS) filed a petition to suspend and investigate Ameritech's proposed revisions in Transmittal No. 938. In its petition, MFS argues that Ameritech's proposed restructuring of the nonrecurring charges associated with its virtual optical interconnection service are ambiguous and not supported by cost data.² MFS argues that while Ameritech's current tariff contains a single project management fee per seven foot bay installed, Transmittal No. 938 proposes to establish five different fees, depending on the nature of the project.³ MFS claims that the cost for initial installation of a bay would be reduced by Transmittal No. 938, but that these savings could be offset by the new charges for other services.⁴ MFS also claims that the proposed fee for "Bay Rearrangement and/or

¹ No petitions have been filed against Transmittal No. 948.

² MFS Petition at 1.

³ *Id.* at 2.

⁴ *Id.* at 2.

Miscellaneous Work" is ambiguous because Ameritech has not clearly defined how this charge would apply.⁵ Finally, MFS argues that Ameritech has failed to provide adequate cost support for its proposed rates because Transmittal No. 938 does not contain an explanation for the number of labor hours required for each task, or for its proposed 58 percent loading of overhead costs.⁶

3. On February 5, 1996, Ameritech filed its opposition to MFS's petition. Ameritech states that its current tariff provides a single "per bay" charge applicable to installations.⁷ According to Ameritech, Transmittal No. 938 reduces the charge associated with the first bay installed on a single order and establishes a significantly lower separate charge for each additional bay on the same order.⁸ Ameritech asserts that this change recognizes that certain costs are incurred on each installation order, regardless of the number of bays covered on the same order.⁹ Ameritech also notes that Transmittal No. 938 establishes project management charges for installation of additional shelving that are not provided in connection with the initial bay installation.¹⁰

4. Ameritech does not agree with MFS's contention that Transmittal No. 938 has not clearly defined how the project management fee will be applied.¹¹ Ameritech states that the project management fee would only apply when customer-designated equipment is installed, rearranged, or removed from Ameritech's central office.¹² Ameritech contends that Transmittal No. 938 establishes a general per bay rearrangement or miscellaneous work charge to recoup coordination and oversight costs associated with projects that do not involve the installation of a new bay or shelf.¹³

⁵ *Id.* at 2.

⁶ *Id.* at 3.

⁷ Ameritech Opposition at 1.

⁸ *Id.* at 1-2.

⁹ *Id.* at 2.

¹⁰ *Id.* at 2.

¹¹ *Id.* at 2.

¹² *Id.* at 2.

¹³ *Id.* at 2.

938 is a reasonable attempt to identify different types of projects that will arise in expanded interconnection and establish a rate applicable to each type of situation that more closely reflects the costs associated with Ameritech activity in that situation.¹⁴ In response to MFS's argument that Transmittal No. 938 did not contain an explanation of the number of labor hours for each rate, Ameritech's opposition provides a breakdown of the number of labor hours estimated for each project management fee task.¹⁵ Finally, Ameritech explains that the 58 percent overhead loading factor is the same factor that is applied to all of Ameritech's virtual collocation services.¹⁶

5. Ameritech Transmittal Nos. 938 and 948 raise the same issues regarding cost allocations, rate levels, rate structures, and terms and conditions of service as those identified in the *Virtual Collocation Tariff Suspension Order*.¹⁷ Therefore, Transmittal Nos. 938 and 948 are suspended for one day following the effective date, and will be subject to the investigation initiated in the *Virtual Collocation Tariff Suspension Order*. These rates will also be subject to an accounting order to facilitate any refunds that may later prove necessary.

6. ACCORDINGLY, IT IS ORDERED that the petition to suspend and investigate Ameritech Operating Companies Tariff F.C.C. No. 2, Transmittal No. 938, filed by MFS Communications Company, Inc. IS GRANTED.

7. IT IS FURTHER ORDERED that, pursuant to Section 204(a) of the Communications Act of 1934, as amended, 47 U.S.C. § 204(a), and Section 0.291 of the Commission's Rules, 47 C.F.R. § 0.291, the revisions to the Ameritech Operating Companies' Tariff F.C.C. No. 2, Transmittal No. 938 and 948 ARE SUSPENDED for one day and an investigation of the referenced tariff transmittals IS INSTITUTED.

8. IT IS FURTHER ORDERED that, Ameritech SHALL FILE tariff revisions within five business days of the release date of this Order to reflect this suspension.

¹⁴ *Id.* at 3.

¹⁵ *Id.* at 3.

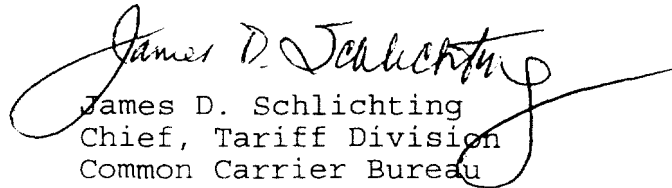
¹⁶ *Id.* AT 4.

¹⁷ Ameritech Operating Companies, et.al, CC Docket No. 94-97, 10 FCC Rcd 1960 (1994) (*Virtual Collocation Tariff Suspension Order*).

9. IT IS FURTHER ORDERED that, for these purposes, we waive Sections 61.56, 61.58, and 61.59 of the Commission's Rules, 47 C.F.R. §§ 61.56, 61.58, and 61.59. Ameritech should cite the "DA" number of the instant Order as the authority for this filing.

10. IT IS FURTHER ORDERED that, pursuant to Section 204(a) of the Communications Act of 1934, as amended, 47 U.S.C. § 204(a), Ameritech shall keep accurate accounts of all amounts received by reason of the rates that are the subject of this investigation.

FEDERAL COMMUNICATIONS COMMISSION


James D. Schlichting
Chief, Tariff Division
Common Carrier Bureau